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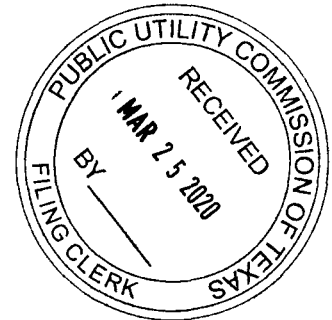
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March 25, 2020

Ms. DeAnn T. Walker, Chairman
Mr. Arthur C. D'Andrea, Commissioner
Ms. Shelly Botkin, Commissioner
Public Utility Commission of Texas
William B. Travis Bldg.
1701 N. Congress Avenue
Austin, TX 78701



Re: *Issues Related to the State of Disaster for Coronavirus Disease 2019; Project No. 50664*

Dear Chairman Walker and Commissioners D'Andrea and Botkin:

Manufacturing companies are on the front lines of the both the statewide and the national response to COVID-19. Large industrial companies based in Texas are producing critical Personal Protective Equipment (PPE), cleaning and sanitation products, paper products, ventilators, and other medical supplies and their components. Many companies that are typically involved in other lines of production are in the process of repurposing their facilities to produce needed supplies for the medical community, first responders, and the general public. TIEC's members have been working hand-in-hand with leadership at both the state and national levels to provide equipment and supplies during this critical period.

At the same time, the manufacturing sector is facing unprecedented economic impacts due to shelter-in-place requirements for employees, combined with global market volatility, market shutdowns, and massive declines in commodity prices. Many industrial companies are facing hard decisions that may leave no choice but to layoff of thousands of employees in Texas and across the country. Industrial companies are taking extraordinary steps to attempt to reduce their costs and maintain financial viability during these trying times, in an effort to retain jobs and support the state and national economy. In combination with the sweeping effects of COVID-19, volatility in the oil markets driven by recent developments in the Middle East has caused the biggest crash in oil prices since the early 1990s, creating major upheaval for the petrochemical industry that is largely based in Texas. The combination of these factors has put many industrial companies in a financially precarious position at a time when they are being asked to step up to support the response to this pandemic, and when the state needs critical funding from ongoing economic activities.

TIEC understands the Commission's desire to move quickly in addressing the hardships this pandemic has created for specific segments of the electric market, including vulnerable residential populations. However, the proposed "COVID-19 Disaster Relief Fund" will add significant economic hardship to manufacturing companies at a time when they are already

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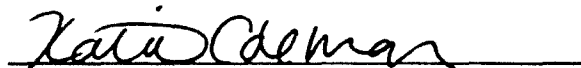
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facing extremely difficult economic circumstances. The \$0.65/MWh charge proposed in Attachments C and D to Chairman Walker's memorandum would cost an average 100 MW industrial site more than \$500,000 per year. It is not unusual for companies with a large industrial presence in Texas to have 500 MW of load or more, meaning that Texas-based companies may be asked to pay several million dollars in additional electric costs under these trying economic conditions. TIEC's members very much want to do their part to help Texas and the nation in responding to this crisis, but are concerned that the effects of this proposal will lead to further economic destruction and make it even more difficult for manufacturers to meet global demands for critical products and continue to support state and local economies.

For these reasons, TIEC respectfully asks the Commission to defer action on the "COVID-19 Disaster Relief Fund" proposed in Attachments C and D to Chairman Walker's memorandum for continued discussion. This will provide at least some time for TIEC to work with the Commission and other parties on potential alternative solutions that are more tenable for manufacturing companies in Texas, while meeting the Commission's desire to act quickly on behalf of vulnerable populations. TIEC members stand ready to be a part of the solution on these tough issues, as well as the global response to COVID-19, but seek a more balanced solution that will minimize the additional economic hardship for the manufacturing base in Texas.

TIEC appreciates your consideration of this request and would be happy to answer any questions you may have.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Katie Coleman", is written over a horizontal line.

Katie Coleman

Attorney for Texas Industrial Energy Consumers